

# MATERIAL DAMAGE POLICY



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# Material Damage Policy

INTRODUCTION	
WELCOME	Welcome to Vero. Thank you for selecting <b>us</b> as <b>your insurer</b> .
ABOUT THIS POLICY	<p><b>Your</b> Material Damage Policy consists of:</p> <ol style="list-style-type: none"> <li>1. this policy document, and</li> <li>2. the <b>schedule</b>, and</li> <li>3. any endorsements or warranties that <b>we</b> apply, and</li> <li>4. the information <b>you</b> have provided in the <b>application</b>.</li> </ol>
YOUR DUTY OF DISCLOSURE	<p>When <b>you</b> apply for insurance, <b>you</b> have a legal duty of disclosure. This means <b>you</b> or anyone acting on <b>your</b> behalf must tell <b>us</b> everything <b>you</b> know (or could be reasonably expected to know) that a prudent insurer would want to take into account in deciding:</p> <ol style="list-style-type: none"> <li>1. to accept or decline <b>your</b> insurance, and/or</li> <li>2. the cost or terms of the insurance, including the excess.</li> </ol> <p><b>You</b> also have this duty every time <b>your</b> insurance renews and when <b>you</b> make any changes to it. If <b>you</b> or anyone acting on <b>your</b> behalf breaches this duty, <b>we</b> may treat this policy as being of no effect and to have never existed. Please ask <b>us</b> if <b>you</b> are not sure whether <b>you</b> need to tell <b>us</b> about something.</p>
EXAMPLES	<b>We</b> have used examples and comments to make parts of this policy document easier to understand. These examples and comments are printed in <i>italics</i> and do not affect or limit the meaning of the section they refer to.
HEADINGS	The headings in this policy document are for reference only and do not form part of it. They must not be used when interpreting the policy document.
DEFINED WORDS	If a word is shown in <b>bold</b> , it has a specific meaning. There is a list of these words and what they mean at the back of this policy in the section 'DEFINITIONS'.

## INSURANCE AGREEMENT

### OUR AGREEMENT

**You** agree to pay **us** the premium and comply with this policy. In exchange, **we** agree to insure **you** as set out in this policy.

## WHAT YOU ARE COVERED FOR

### DAMAGE TO INSURED PROPERTY

**We** will indemnify **you** for **loss** to any of the **insured property** occurring during the **period of insurance**.

**You** will be indemnified by payment or, at **our** option, by repair or by replacement of the lost or damaged property.

Subject to the reinstatement of sum insured once repaired, **our** liability in any one **period of insurance** will not exceed the total sum insured; and where sums insured have been declared to **us** or included in the **schedule** for more than one **situation**, item and/or category of **insured property**, **our** liability will not exceed in respect of each **situation**, and each item or category of **insured property** at a **situation**, the applicable sum insured.

## AUTOMATIC POLICY EXTENSIONS

In addition to the cover under 'What You Are Covered For - Damage to Insured Property' above, **we** also provide the following Automatic Policy Extensions.

Unless expressly stated otherwise, any amounts payable under these Automatic Extensions are included within 'What We Will Pay – A. Maximum Amount Payable'. They are not additional.

### A. ALTERNATIVE RESIDENTIAL ACCOMMODATION

If the **insured property** is a **residential unit** that is owned and occupied by **you**, or any of **your** directors or employees and it cannot be lived in due to sudden and **accidental loss** to the **residential unit**, where that **loss**:

1. is covered by this Material Damage policy, or
2. would have been covered by this Material Damage policy, but is

	<p>covered by the <b>EQC Act</b> instead, then <b>you</b> are insured for the reasonable additional costs of temporary accommodation that is of a similar standard to the <b>residential unit</b> for:</p> <ul style="list-style-type: none"> <li>a) <b>you</b>, or any of <b>your</b> directors or employees, and</li> <li>b) <b>your</b>, or any of <b>your</b> director's or employee's, domestic pets.</li> </ul> <p>The most <b>we</b> will pay for any <b>event</b> is \$25,000 per <b>residential unit</b>, (unless a different amount per <b>residential unit</b> is shown in the <b>schedule</b>) up to a total of the sum insured shown in the <b>schedule</b> for Alternative Accommodation. However, in all cases <b>we</b> will not pay more than 12 months' rent for any <b>event</b>.</p> <p>Payment under this extension is in addition to 'What We Will Pay - A. Maximum Amount Payable'.</p> <p>If <b>you</b> have alternative accommodation cover under any other policy with <b>us</b>, then the most <b>we</b> will pay under all policies in total per <b>residential unit</b> for any <b>event</b> is the highest applicable limit.</p>
<p>B. BURGLARY COVER</p>	<p><b>You</b> are insured for sudden and <b>accidental loss to insured property</b>:</p> <ul style="list-style-type: none"> <li>1. at the <b>situation</b>, or</li> <li>2. during the period the <b>insured property</b> is covered by: <ul style="list-style-type: none"> <li>(a) Automatic Policy Extension S. Portable Electronic Equipment, or</li> <li>(b) Automatic Policy Extension DD. Temporary Removal Cover, or</li> <li>(c) Automatic Policy Extension GG. Transit Cover, or</li> <li>(d) Automatic Policy Extension II. Unspecified Locations</li> </ul> </li> </ul> <p>caused by theft or attempted theft:</p> <ul style="list-style-type: none"> <li>1. accompanied by threat of violence, or actual violence, to any person, or</li> <li>2. involving physical evidence of violent and forcible entry to, or exit from, an enclosed building (or part of an enclosed building), or</li> <li>3. involving physical evidence of violent and forcible entry to, or exit from a securely locked motor vehicle or <b>storage container</b>, or</li> <li>4. of a permanently attached part of the building by the forcible removal of it.</li> </ul>

	<p>If the <b>loss</b> occurs during the period the <b>insured property</b> is covered by one of the Automatic Policy Extensions referred to in 2 (a), (b), (c) or (d) above, any sub-limit detailed in that extension also applies to the cover under this extension.</p>
<p>C. CAPITAL ADDITIONS COVER</p>	<p><b>You</b> are insured for:</p> <ol style="list-style-type: none"> <li>1. sudden and <b>accidental loss</b> to a <b>building</b> or <b>contents</b>, located in New Zealand, that <b>you</b> acquire during the <b>period of insurance</b>, provided <b>you</b> own or are responsible for that property, and</li> <li>2. appreciation in value of a <b>building</b> or <b>contents</b> that results solely from a physical: <ol style="list-style-type: none"> <li>(a) alteration, or</li> <li>(b) addition, or</li> <li>(c) improvement,</li> </ol> </li> </ol> <p>provided that <b>you</b> notify <b>us</b> within 90-days of <b>you</b> acquiring the property or the physical works being completed.</p> <p>Once <b>you</b> have notified <b>us</b>:</p> <ol style="list-style-type: none"> <li>1. <b>we</b> may charge <b>you</b> additional premium, and</li> <li>2. any increased value of the property will be added to <b>your</b> sum insured.</li> </ol> <p>The most <b>we</b> will pay under this extension during any <b>annual period</b> is:</p> <ol style="list-style-type: none"> <li>(a) 10% of the sum insured for the <b>building</b> and 10% of the sum insured for the <b>contents</b>, or</li> <li>(b) \$100,000 in total for both,</li> </ol> <p>whichever is the lesser.</p>
<p>D. CONSTRUCTIVE LOSS</p>	<p>In the event of <b>loss</b> to insured property comprising any <b>building</b> shown in the <b>schedule</b> as insured for 'Basis of Settlement – Reinstatement', where the building is damaged not <b>destroyed</b>, and the cost of <b>reinstatement</b> of that <b>building</b> is 60% or more of 'What We Will Pay – A. Maximum Amount Payable', then that <b>building</b> will be treated as having been <b>destroyed</b> where the following conditions exist:</p> <ol style="list-style-type: none"> <li>(a) The <b>reinstatement</b> of the insured <b>building</b> is prevented by sole reason of <b>regulations</b>; or</li> <li>(b) In any other instance where by agreement between <b>you</b> and</li> </ol>

	<p><b>us</b> it is the most practical and/or economic method of settlement.</p>
E. DEMOLITION COSTS	<p><b>You</b> are insured for the costs necessarily incurred for any of the following purposes in consequence of <b>loss</b> to <b>insured property</b>:</p> <ol style="list-style-type: none"> <li>1. demolish, dismantle, shore or prop <b>insured property</b>, and</li> <li>2. dispose of debris (including any kind of solid, liquid or gas), and</li> <li>3. clear, clean and repair gutters, drains and the like, and</li> <li>4. recover, defend, safeguard, remove, store, and return <b>stock</b> and <b>contents</b>, whether damaged or <b>undamaged</b>, and</li> <li>5. temporarily repair and secure <b>insured property</b> to make it comply with safety rules and <b>regulations</b> or suitable for continued use, provided that the costs arise from a valid claim under this policy.</li> </ol>
F. DISCLAIMERS AND RELEASE OF LIABILITY	<p>Where <b>you</b> are required by legislation or by contractual agreement to release:</p> <ol style="list-style-type: none"> <li>1. the Fire Service Commission;</li> <li>2. any fire protection installation, service or equipment suppliers;</li> <li>3. any Oil Company;</li> <li>4. Corporation, Authority or Quasi Government organisation;</li> <li>5. any Municipal or Local Authority;</li> <li>6. any State Owned Enterprise;</li> <li>7. any rail division of Toll NZ Limited;</li> <li>8. any Lift Installation or Maintenance Engineers;</li> <li>9. any storage of goods for, or leasing property to <b>you</b>; or</li> <li>10. any other party to an agreement that has been declared to and accepted by <b>us</b>;</li> </ol> <p>from liability arising from damage or loss covered by this Material Damage policy, the release is allowed without prejudice to this insurance and notwithstanding the subrogation we may take action under the 'How to Claim' section of the policy.</p>
G. DOCKS, PIERS, WHARVES AND ROAD BRIDGES	<p><b>You</b> are insured for <b>accidental loss</b> to docks, piers, wharves or road bridges owned by <b>you</b> that form part of <b>your insured property</b> and are at the <b>situation</b> shown in the <b>schedule</b>, subject to a combined limit of \$100,000 at any one <b>situation</b>, unless specified for a greater</p>

	<p>amount in the <b>schedule</b>.</p> <p>Policy Exclusions A – Types of Property Not Covered - 4 (f) road bridges and 4 (h) do not apply to this Automatic Policy Extension.</p>
H. ELECTRIC MOTORS COVER	<p><b>You</b> are insured for sudden and <b>accidental loss</b> to:</p> <ol style="list-style-type: none"> <li>1. electric motors and starters not exceeding 5kw (6.7 hp), and</li> <li>2. distribution switchboards and permanently installed electric reticulation,</li> </ol> <p>at the <b>situation</b> provided that the damage is <b>fusion immediately preceded by:</b></p> <ol style="list-style-type: none"> <li>1. the failure of electrical insulation, or</li> <li>2. an identifiable abnormal electric current fluctuation from any power supply network, or</li> <li>3. electrically induced self-heating.</li> </ol>
I. ELECTRONIC DATA AND SOFTWARE	<p><b>You</b> are insured for the <b>loss</b> of <b>electronic data</b> and <b>software</b> resulting from electronic equipment insured by this policy suffering sudden and <b>accidental loss</b> covered by this policy.</p> <p><i>Please also read 'How We Will Pay: Basis of settlement: certain types of property- 'Electronic Data' and 'Software'.</i></p>
J. EMPLOYEE EFFECTS COVER	<p><b>You</b> are insured for sudden and <b>accidental loss</b> to the clothing, personal effects and tools of trade of <b>your</b> directors and employees (but not <b>your</b> contractors). <b>We</b> will cover this property as if it were <b>contents</b>, provided that:</p> <ol style="list-style-type: none"> <li>1. the property is at the <b>situation</b>, or</li> <li>2. the property is being worn, carried or used by <b>your</b> directors or employees while they are acting in the course of their directors' duties or employment, anywhere in New Zealand.</li> </ol> <p>The most <b>we</b> will pay under this extension:</p> <ol style="list-style-type: none"> <li>1. is \$5,000 for any <b>event</b>, per person, and</li> <li>2. in total during the <b>annual period</b> is the sum insured shown in the <b>schedule</b> for <b>contents</b>.</li> </ol>
K. EXPEDITING COSTS COVER	<p><b>You</b> are insured for the reasonable costs of express freight and overtime to expedite the repair or replacement of <b>insured property</b> following a <b>loss</b> covered under this policy.</p>



	<p><b>You</b> must have <b>our</b> prior approval before incurring any costs. <i>Our approval will be based on the economic benefit gained.</i></p>
L. FIRE FIGHTING EQUIPMENT	<p><b>You</b> are insured for the reasonable costs <b>you</b> incur to replenish <b>your</b> portable hand-held fire fighting equipment after the equipment has been used to protect <b>your insured property</b> from <b>loss</b> covered under this policy, or immediate and imminent threat of <b>loss</b>, provided that the <b>loss</b> would be covered under this policy if it did occur.</p> <p>The most <b>we</b> will pay under this extension in total during any <b>annual period</b> is \$5,000.</p>
M. GRADUAL DAMAGE	<p><b>You</b> are insured for <b>accidental loss</b> to the <b>insured property</b> resulting from the action of micro-organisms, mould, mildew, rot, fungi or gradual deterioration, caused by water leaking or overflowing from any internal water system installed at the <b>situation</b>. An internal water system is any water pipe, waste disposal pipe, water cylinder or water storage tank which is permanently connected and contained within the walls, floors or roof of the structure and any pipe that is hidden from view that is connected to an appliance, such as a washing machine or dishwasher.</p> <p>Provided <b>we</b> have accepted a claim for the <b>loss</b> or damage, the limit includes the cost of searching for the source of the problem if it is reasonably incurred.</p> <p><b>Our</b> liability in respect of any one <b>loss</b> will not exceed \$10,000. Policy Exclusion B – Losses Not Covered – 1(c) gradual damage, does not apply to this Automatic Policy Extension.</p>
N. HAZARDOUS SUBSTANCE EMERGENCY	<p><b>You</b> are insured for any charge the New Zealand Fire Service is authorised to impose on <b>you</b> in respect of any Hazardous Substance Emergency at the <b>situation</b> during the <b>period of insurance</b>.</p> <p><b>We</b> will pay these costs where there is <b>loss</b> covered under this policy, or where there is an immediate and imminent threat of <b>loss</b>, that would be covered under this policy if it did occur.</p> <p>'Hazardous Substance Emergency' is as defined in the Fire Service Act 1975.</p> <p>The most <b>we</b> will pay under this extension is \$50,000 for any <b>event</b>.</p>

<p>O. ILLEGAL SUBSTANCES</p>	<p><b>You</b> are insured for <b>accidental loss</b> to the <b>building</b> and or <b>contents</b> within the <b>building</b> shown in the <b>schedule</b>, in connection with the manufacture, storage or distribution of any controlled drug as defined in the Misuse of Drugs Act 1975, provided that:</p> <ul style="list-style-type: none"> <li>(a) the <b>building</b> is tenanted, and</li> <li>(b) <b>you</b> or the person who manages the tenancy on <b>your</b> behalf has met the landlord obligations.</li> </ul> <p>The most <b>we</b> will pay under this extension is \$50,000 any one <b>event</b>, up to a maximum of \$250,000 in any <b>annual period</b>. However for <b>accidental loss</b> resulting from fire or explosion the most <b>we</b> will pay is the sum insured declared in the <b>schedule</b>.</p> <p>For the purpose of this extension “landlords obligations” means <b>you</b> or the person who manages the insured property on <b>your</b> behalf must:</p> <ul style="list-style-type: none"> <li>(a) exercise reasonable care in the selection of tenant(s) by obtaining at least satisfactory verbal or written references, and</li> <li>(b) complete an external and internal inspection of the property at a minimum of three monthly intervals and upon the change of every tenant(s), and</li> <li>(c) keep a written record of the outcome of each inspection, and provide a copy to <b>us</b> if a copy is requested.</li> </ul>
<p>P. INVENTORY</p>	<p><b>You</b> are insured for the costs reasonably incurred by <b>you</b> in taking an inventory to establish the value of lost or damaged <b>insured property</b> following a <b>loss</b> covered by this policy.</p> <p>However, the indemnity provided will not increase <b>our</b> liability beyond the total sum insured in the <b>schedule</b>.</p>
<p>Q. LANDSLIP</p>	<p>This policy extends to cover sudden and <b>accidental loss</b> or damage to any <b>insured property</b> directly or indirectly consequent upon:</p> <ol style="list-style-type: none"> <li>1. landslip that is neither gradual nor progressive; and/or</li> <li>2. the movement (whether by way of falling, sliding or flowing) of ground; but excluding: <ul style="list-style-type: none"> <li>a. subsidence; and/or</li> <li>b. the expansion, shrinkage, compaction or erosion of soil.</li> </ul> </li> </ol> <p>The most <b>we</b> will pay under this extension is \$250,000 for any one <b>event</b>. An excess of \$10,000 applies for each event under this extension, unless a higher amount appears in the <b>schedule</b>.</p>

	Policy Exclusions B – Losses Not Covered - 6 (b) landslip, does not apply to this Automatic Policy Extension.
R. MONEY COVER	<p><b>You</b> are insured for sudden and <b>accidental loss</b> of <b>money</b>, provided that the <b>loss</b> occurs in any of the circumstances outlined below:</p> <p><b>Money Section A</b></p> <ol style="list-style-type: none"> <li>1. <b>money</b> in transit, or</li> <li>2. <b>money</b> at the <b>situation</b> during <b>business hours</b>, or</li> <li>3. <b>money</b> at the <b>situation</b> in a securely locked safe or strong room outside <b>business hours</b>.</li> </ol> <p><b>Money Section B</b></p> <ol style="list-style-type: none"> <li>1. <b>money</b> at the <b>situation</b> outside <b>business hours</b> and not in a securely locked safe or strong room, or</li> <li>2. <b>money</b> at residential premises occupied by <b>you</b> or any director, employee, or agent, authorised to have possession of the <b>money</b>.</li> </ol> <p>This extension does not provide cover for <b>loss of money</b>:</p> <ol style="list-style-type: none"> <li>1. caused by errors in receiving it or paying it out, or</li> <li>2. occurring while the <b>money</b> is entrusted to any person other than: <ol style="list-style-type: none"> <li>(a) <b>you</b> or any director or executive officer of <b>yours</b>, or</li> <li>(b) any employee or agent of <b>yours</b>, or</li> <li>(c) any professional <b>money</b> carrier, or</li> </ol> </li> <li>3. resulting from payment of <b>money</b> in exchange for any cheque that is subsequently dishonoured, or</li> <li>4. occurring while the <b>money</b> is in an unlocked and unoccupied vehicle, or</li> <li>5. caused by theft or fraud by any of <b>your</b> employees, unless the <b>loss</b> is discovered within three consecutive <b>business days</b> of the act of theft or fraud, or</li> <li>6. through electronic means.</li> </ol> <p>The most <b>we</b> will pay under this extension is:</p> <ol style="list-style-type: none"> <li>1. \$10,000 or the 'Special Carry' sum insured (during the months specified) for any <b>event</b> under Money Section A, and</li> <li>2. \$ 2,500 for any <b>event</b> under Money Section B,</li> </ol> <p>unless a different amount for Money Section A or Money Section B is shown in the <b>schedule</b>.</p>

	Payment under this extension is in addition to 'What We Will Pay - A. Maximum Amount Payable'.
S. PORTABLE ELECTRONIC EQUIPMENT COVER	<p><b>You</b> are insured for <b>accidental loss</b> to <b>portable electronic equipment</b>, while away from the <b>situation</b> and whilst in transit and located anywhere in the world.</p> <p>The most <b>we</b> will pay under this extension is:</p> <ol style="list-style-type: none"> <li>1. \$7,500 for any one item of <b>portable electronic equipment</b>, and</li> <li>2. \$25,000 in total for any one <b>event</b>.</li> </ol> <p>An <b>excess</b> of \$1,000 applies for each <b>event</b> under this extension, unless a different amount is shown in the <b>schedule</b>.</p>
T. PROPERTY UNDER CONSTRUCTION	<p><b>You</b> are insured for sudden and <b>accidental loss</b> to any <b>building</b> and <b>contents</b> at the <b>situation</b> during the course of:</p> <ol style="list-style-type: none"> <li>1. demolition, or</li> <li>2. installation, construction or erection, or</li> <li>3. testing and commissioning following 2. above,</li> </ol> <p>provided that:</p> <ol style="list-style-type: none"> <li>1. the property is owned, will be owned or will be occupied by <b>you</b>, and</li> <li>2. the completed value of contract works does not exceed \$100,000.</li> </ol>
U. PROTECTION COSTS COVER	<p><b>You</b> are insured for reasonable costs <b>you</b> incur to temporarily protect <b>insured property</b> by preventing or minimising an imminent sudden and <b>accidental loss</b>, provided that the <b>loss</b> would be covered under this policy if it did occur.</p> <p>The most <b>we</b> will pay under this extension is \$100,000 any one <b>event</b>.</p>
V. REDUNDANT FOUNDATIONS	<p><b>You</b> are insured for <b>undamaged</b> foundations that are made redundant, where the <b>insured property</b> resting on them has been <b>destroyed</b> as a result of a <b>loss</b> covered by this policy.</p> <p>Where the redundant and <b>undamaged</b> foundations are not demolished, and the presence of them increases the market value of the <b>site</b> to which they are fixed, the amount of the market value increase will be deducted from the amount payable for <b>your</b> claim.</p>
W. REDUNDANT PLANT	<b>You</b> are insured for any of the following provided it is also <b>insured</b>

AND STOCK	<p><b>property:</b></p> <ol style="list-style-type: none"> <li>1. <b>stock</b> rendered redundant as a result of <b>loss</b> covered by this policy to other <b>insured property</b>.</li> <li>2. (a) plant which is interdependent with <b>insured property</b>, and/or (b) spare parts held exclusively for <b>insured property</b>, rendered redundant as a result of <b>loss</b> covered by this policy to its respective <b>insured property</b> in (a) or (b) above.</li> </ol> <p>Regardless of any Basis of Settlement shown in the <b>schedule</b>, <b>we</b> will only ever pay <b>you</b> the indemnity value of the redundant plant and/or spare parts.</p>
X. REFRIGERATED GOODS	<p><b>You</b> are insured for:</p> <ol style="list-style-type: none"> <li>1. damage to goods in refrigerated cabinets or chambers arising from accidental stoppage, damage, or malfunction of refrigerating plant. The words "goods in refrigerated cabinets or chambers" are deemed to include goods that are at the <b>situation</b> at the time of the <b>event</b> and that would, but for the <b>event</b>, have been placed in the refrigerated cabinets or chambers; and</li> <li>2. expenses reasonably incurred to avoid or minimise the <b>loss</b> insured by 1. above by either transferring the threatened goods to alternative storage or by other means;</li> </ol> <p>provided that this extension does not cover damage due to the disconnection of the public electricity supply by the supply authority where prior notice of the disconnection has been given at the time of damage. The most <b>we</b> will pay under this extension is \$7,500 for any one <b>event</b> unless a different amount for Refrigerated Goods is shown in the <b>schedule</b>.</p>
Y. REWARDS COVER	<p><b>You</b> are insured for a reward that <b>you</b> offer and pay to successfully secure the return of <b>insured property</b> that suffers a <b>loss</b>, provided that:</p> <ol style="list-style-type: none"> <li>1. the <b>loss</b> is covered under this policy, and</li> <li>2. <b>you</b> have <b>our</b> prior approval to offer the reward.</li> </ol>
Z. SOCIAL CLUB COVER	<p><b>You</b> are insured for sudden and <b>accidental loss</b> to property and <b>money</b> of any:</p> <ol style="list-style-type: none"> <li>1. social club, and/or</li> <li>2. sports club or similar body,</li> </ol>

	<p>provided that the clubs' activities are principally for the benefit of <b>your</b> employees.</p> <p><b>We</b> will cover:</p> <ol style="list-style-type: none"> <li>1. this property as if it were <b>contents</b>, and</li> <li>2. <b>money</b> on the same basis as provided by Automatic Extension R: Money Cover.</li> </ol>
AA. STOLEN KEYS COVER	<p><b>You</b> are insured for the reasonable costs to:</p> <ol style="list-style-type: none"> <li>1. open a safe or strong room, and</li> <li>2. alter or replace locks, keys and combinations that give access to <b>your insured property</b>,</li> </ol> <p>provided that the costs are incurred because the keys or combinations are:</p> <ol style="list-style-type: none"> <li>1. stolen, or</li> <li>2. believed on reasonable grounds to have been duplicated without proper authority,</li> </ol> <p>during the <b>period of insurance</b>.</p>
BB. SUBSIDENCE	<p>This policy extends to cover sudden and <b>accidental loss</b> or damage to any <b>insured property</b> directly or indirectly consequent upon:</p> <ol style="list-style-type: none"> <li>1. subsidence, that is neither gradual nor progressive, of land beneath or adjacent to the affected property; and/or</li> <li>2. the movement (whether by way of sinking, collapsing, sliding or flowing) of ground;</li> </ol> <p>but excluding:</p> <ol style="list-style-type: none"> <li>a. landslip;</li> <li>b. compaction or erosion of soil;</li> <li>c. the normal settling, expansion or shrinkage of any building or its foundations; and/or</li> <li>d. movement as a result of the water-table drying out from atmospheric or climatic conditions.</li> </ol> <p>The most <b>we</b> will pay under this extension is \$250,000 for any one <b>event</b>. An excess of \$10,000 applies for each event under this extension, unless a higher amount appears in the <b>schedule</b>.</p> <p>Policy Exclusions B – Losses Not Covered - 6 (b) subsidence, does not</p>

	apply to this Automatic Policy Extension.
CC. SUSTAINABLE REBUILDING COSTS	<p><b>You</b> are insured for the reasonable costs <b>you</b> incur to upgrade the <b>building</b> with <b>sustainable products</b> following a <b>loss</b> covered by this policy, provided that:</p> <ol style="list-style-type: none"> <li>1. the <b>building</b> is <b>destroyed</b>, and</li> <li>2. the 'Basis of Settlement – Reinstatement' applies to the <b>building</b>, and</li> <li>3. <b>you</b> replace the <b>building</b>, and</li> <li>4. the <b>sustainable products</b> are first approved by <b>us</b>.</li> </ol> <p>The most <b>we</b> will pay under this extension for any <b>event</b> is:</p> <ol style="list-style-type: none"> <li>1. 5% of the actual cost to replace the <b>building</b>, or</li> <li>2. \$250,000 in total,</li> </ol> <p>whichever is the lesser.</p> <p>Payment under this extension is included within the <b>building</b> sum insured. Refer to 'What We Will Pay – A. Maximum Amount Payable'.</p>
DD. TEMPORARY REMOVAL COVER	<p><b>You</b> are insured for sudden and <b>accidental loss</b> to <b>contents</b> while <b>temporarily removed</b> from the <b>situation</b> to another location within New Zealand [including while in transit].</p> <p>The most <b>we</b> will pay under this extension for portable tools of trade is:</p> <ol style="list-style-type: none"> <li>1. \$5,000 for any one item including its standard accessories, and</li> <li>2. \$25,000 in total for any <b>event</b>.</li> </ol> <p><i>We will cover you for sudden and <b>accidental loss</b> to contents while temporarily removed to any place in New Zealand and while in transit to or from that place.</i></p> <p>This extension does not apply to any of the <b>insured property</b> that is intended for use as a portable item (unless removed for service or repair).</p>
EE. TENANTED PREMISES	<p><b>You</b> are insured for sudden and <b>accidental loss</b> to:</p> <ol style="list-style-type: none"> <li>1. glass, and</li> </ol>

	<ol style="list-style-type: none"> <li>2. doors and windows, and</li> <li>3. light fittings and power points, and</li> <li>4. floor coverings,</li> </ol> <p>that are not owned by <b>you</b> at the <b>situation</b>, provided that:</p> <ol style="list-style-type: none"> <li>1. <b>you</b> are responsible to arrange and bear the cost to repair them under the terms of <b>your</b> lease agreement, and</li> <li>2. the provisions of sections 268 to 272 of the Property Law Act 2007 (or any relevant amendments) do not release <b>you</b> from this responsibility.</li> </ol>
FF. THEFT COVER	<p><b>You</b> are insured for sudden and <b>accidental loss to insured property</b> caused by theft occurring:</p> <ol style="list-style-type: none"> <li>1. at the <b>situation</b>, and</li> <li>2. when the <b>insured property</b> is covered by: <ol style="list-style-type: none"> <li>(a) Automatic Policy Extension S. Portable Electronic Equipment, or</li> <li>(b) Automatic Policy Extension DD. Temporary Removal Cover, or</li> <li>(c) Automatic Policy Extension GG. Transit Cover, or</li> <li>(d) Automatic Policy Extension II: Unspecified Locations.</li> </ol> </li> </ol> <p>An excess of \$2,500 applies for each <b>event</b> under this extension, unless a higher excess for Theft Cover is shown in the <b>schedule</b>.</p>
GG. TRANSIT COVER	<p><b>You</b> are insured for sudden and <b>accidental loss to contents</b> and/or <b>stock</b> during any transit beginning and ending within New Zealand.</p> <p><b>We</b> will include <b>your</b> liability for general average and salvage charges where the contract of carriage or governing law and practice make <b>you</b> liable for such payments.</p> <p>No cover is provided under this extension for:</p> <ol style="list-style-type: none"> <li>(a) <b>contents</b> while <b>temporarily removed</b>, or</li> <li>(b) <b>contents</b> and/or <b>stock</b> otherwise insured, or</li> <li>(c) <b>portable electronic equipment</b>.</li> </ol> <p>The most <b>we</b> will pay under this extension is:</p> <ol style="list-style-type: none"> <li>1. \$5,000 any one portable tool of trade, including their standard accessories, and</li> <li>2. \$20,000 in total for any <b>event</b>,</li> </ol> <p>unless a different amount for Transit Cover is shown in the <b>schedule</b>.</p>
HH. UNHARMED PROPERTY COVER	<p><b>You</b> are insured for the reasonable cost to:</p> <ol style="list-style-type: none"> <li>1. damage, demolish or remove, and</li> </ol>



	<p>2. subsequently repair, replace or reassemble, to a condition the same as but not better nor more extensive than its condition immediately prior to the damage, demolition or removal</p> <p><b>insured property</b> that has not suffered <b>loss</b>, if this action becomes necessary to repair or replace <b>insured property</b> that has suffered a <b>loss</b> which is covered by this policy.</p> <p><b>We</b> will pay these costs provided that they are not being incurred solely to comply with any <b>regulations</b>.</p>
<p>II. UNSPECIFIED LOCATIONS</p>	<p><b>You</b> are insured for sudden and <b>accidental loss</b> to <b>contents</b> and/or <b>stock</b> while situated at any unspecified location in New Zealand away from the <b>situation</b>.</p> <p>This extension does not apply to:</p> <ol style="list-style-type: none"> <li>1. <b>contents</b> and/or <b>stock</b> that are <b>temporarily removed</b>, and</li> <li>2. any <b>portable electronic equipment</b>, and</li> <li>3. any portable tools of trade.</li> </ol> <p>The most <b>we</b> will pay under this extension is:</p> <ol style="list-style-type: none"> <li>1. \$50,000 for any <b>event</b>, or</li> <li>2. the sum insured for <b>contents</b> and/or <b>stock</b>,</li> </ol> <p>whichever is the lesser, unless a different amount for Unspecified Locations is shown in the <b>schedule</b>.</p>

## OPTIONAL POLICY EXTENSIONS

These optional extensions only apply where specified in the **schedule**.

Unless stated otherwise, Optional Extensions are included within 'What We Will Pay - A. Maximum Amount Payable'. They are not additional.

<p>A. MACHINERY BREAKDOWN</p>	<p><b>You</b> are insured for <b>accidental loss</b> of any machine from mechanical or electrical breakdown, derangement or failure.</p> <p>The most we will pay under this extension is \$10,000 any one <b>event</b>, and in total during the <b>period of insurance</b>. This sub-limit applies to the combined Material Damage and Business Interruption <b>loss</b>.</p> <p>This extension does not provide cover for <b>loss</b> to lighting or heating elements, fuses or protective devices, or electrical contacts where sparking or arcing occurs as part of its normal function.</p>
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	<p>For the purpose of this extension the following definitions apply:</p> <p><b>machine</b></p> <p>Any contrivance for the conversion and direction of motion or energy or for the performance of any electronic process, and includes any protective device in connection with that contrivance.</p> <p><b>breakdown</b></p> <p>The actual stopping or failing of the machine due solely to internal stress or a fault in the machinery whilst in use and not by any cause external to the affected machine.</p>
<p>B. NATURAL DISASTER COVER</p>	<p><b>You</b> are insured for <b>natural disaster damage</b> to <b>insured property</b>. The excesses shown in the <b>schedule</b> will apply to the aggregate of:</p> <ol style="list-style-type: none"> <li>1. all <b>natural disaster damage</b> claims under this policy, and</li> <li>2. all <b>natural disaster damage</b> claims under the <b>business interruption policy</b> (if applicable),</li> </ol> <p>arising from any one <b>event</b> at each <b>common site</b> are shown in the policy <b>schedule</b>.</p> <p>Where the <b>insured property</b> that suffers <b>natural disaster damage</b> has been <b>temporarily removed</b>, the <b>site sum insured</b> excess applicable will be that of the <b>insured property's</b> original <b>situation</b>.</p> <p>Where <b>insured property</b> is covered wholly or in part by the <b>EQC Act</b>, the following apply:</p> <ol style="list-style-type: none"> <li>1. <u>What we will pay if EQC Cover applies</u>        If EQC Cover applies:       <ol style="list-style-type: none"> <li>(a) this policy only pays in excess of the maximum cover under the <b>EQC Act</b>, and</li> <li>(b) the most <b>we</b> will pay for <b>loss</b> to <b>insured property</b> from any <b>event</b> is the difference between <b>your EQC entitlement</b> (whether or not that is actually paid to <b>you</b>) and 'What We Will Pay – A. Maximum Amount Payable' under this policy for that <b>loss</b>.</li> </ol> </li> <li>2. <u>Excess</u>        The <b>natural disaster damage</b> excess is reduced by any payment made by the Earthquake Commission except for payments for land.</li> </ol>
<p>C. SEASONAL STOCK ADJUSTMENTS</p>	<p>Where <b>stock</b> has suffered a <b>loss</b> covered by the policy, the maximum amount payable for <b>stock</b> is increased by 20% for the months of:</p>

	October, November and December, unless another period for the Seasonal Stock Increase is shown in the <b>schedule</b> .
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<b>EXCLUSIONS</b>	
<b>A. TYPES OF PROPERTY NOT COVERED</b>	<p>This policy does not insure:</p> <ol style="list-style-type: none"> <li>1. any <b>insured property</b> during:               <ol style="list-style-type: none"> <li>(a) demolition, or</li> <li>(b) installation, construction or erection, or</li> <li>(c) testing and commissioning following 1.(b) above, other than cover provided by Automatic Policy Extension S: Property under Construction.</li> </ol> </li> <li>2. jewellery, precious stones, furs, precious metals or bullion, except if any of these items are:               <ol style="list-style-type: none"> <li>(a) <b>stock</b> of <b>your</b> business, or</li> <li>(b) a component of any plant or machinery that is insured under this policy as <b>contents</b>.</li> </ol> </li> <li>3. any of the following (including plant attaching to, or accessories in or on any of them):               <ol style="list-style-type: none"> <li>(a) any vehicle or trailer that is required to be registered or licensed to travel on a public road,</li> <li>(b) any mechanically or electrically propelled vehicles (including railway locomotives and rolling stock),</li> <li>(c) watercraft of any kind,</li> <li>(d) aircraft of any kind,</li> </ol>               except if any of these items are <b>stock</b> of <b>your</b> business, and at the time of the <b>loss</b> they are at the <b>situation</b> and are:               <ol style="list-style-type: none"> <li>(i) stationary, or</li> <li>(ii) not in operation, or</li> <li>(iii) not being used.</li> </ol> </li> <li>4. any of the following property:               <ol style="list-style-type: none"> <li>(a) standing timber or growing crops,</li> <li>(b) live plants including any trees, shrubs, hedges or grass, other than those forming part of <b>landscaping</b>,</li> <li>(c) livestock,</li> </ol> </li> </ol>

	<p>(d) any living creature,  (e) dams, canals, or reservoirs,  (f) road bridges or road tunnels,  (g) railways, railway bridges or railway tunnels,  (h) docks, piers, or wharves,  (i) mining property located below ground level,  (j) any land, earth or fill (including topsoil and backfill),  (k) transmission and distribution lines not located at the <b>situation</b>,  (l) property located outside New Zealand (other than cover provided by Automatic Policy Extension S: Portable Electronic Equipment Cover),  except if the item of property is specifically listed in the <b>schedule</b> as being insured.</p> <p>5. <b>money</b>, other than cover provided by Automatic Policy Extension Q: Money Cover.</p> <p>6. <b>insured property</b> that is in transit away from the <b>situation</b>, other than cover provided by:  (a) Automatic Policy Extension R: Money Cover,  (b) Automatic Policy Extension S: Portable Electronic Equipment Cover,  (c) Automatic Policy Extension DD: Temporary Removal Cover,  (d) Automatic Policy Extension GG: Transit Cover.</p>
<p>B. LOSSES NOT COVERED</p>	<p>This policy does not insure:</p> <p>1. <b>loss</b> or damage directly or indirectly caused by or resulting from:  (a) action or effects of micro-organisms, mould, mildew, rot, fungi, other than direct <b>loss</b> or damage by fire as a result of any of these, or  (b) gradual deterioration, other than direct <b>loss</b> or damage by fire as a result of this.</p> <p>2. <b>loss immediately preceded by</b> any of the following:  (a) interruption of the supply of water, gas, electricity, or any fuel to the <b>situation</b>, other than cover provided by Automatic Policy Extension W: Refrigerated Goods,  (b) total or partial stoppage of work, or interruption or cessation</p>

	<p>of any process,</p> <p>(c) a change in artificially controlled temperature or atmosphere, other than cover provided by Automatic Policy Extension W: Refrigerated Goods.</p>
	<p>3. <b>loss</b> or damage directly caused by or resulting from any of the following:</p> <ul style="list-style-type: none"> <li>(a) action of vermin or pests,</li> <li>(b) action of light, or inherent nature of the property (including shrinkage, evaporation, loss of weight, change of flavour or colour or texture or finish),</li> <li>(c) fumes, gas, dust, smoke or soot,</li> <li>(d) maintenance of <b>insured property</b> including servicing, cleaning and subsequent testing,</li> <li>(e) spontaneous combustion,</li> <li>(f) spontaneous fermentation,</li> <li>(g) wear and tear, corrosion or rust,</li> <li>(h) marring or scratching,</li> <li>(i) slowly developing deformation or distortion</li> </ul> <p>This exclusion only applies to the <b>insured property</b>, or to the part of the <b>insured property</b> (as applicable), directly affected. It does not apply to any resultant sudden and <b>accidental loss</b> to separate <b>insured property</b>, or to other parts of the same <b>insured property</b> (as applicable).</p>
	<p>4. <b>loss</b> that is:</p> <ul style="list-style-type: none"> <li>(a) only evidenced by an unexplained disappearance,</li> <li>(b) only revealed by the taking of an inventory,</li> <li>(c) due to clerical or accounting errors.</li> </ul>
	<p>5. <b>loss</b> caused by any of the following:</p> <ul style="list-style-type: none"> <li>(a) theft or attempted theft, other than cover provided by: <ul style="list-style-type: none"> <li>(i) Automatic Policy Extension B: Burglary Cover,</li> <li>(ii) Automatic Policy Extension R: Money Cover,</li> <li>(iii) Automatic Policy Extension S. Portable Electronic Equipment Cover,</li> <li>(iv) Automatic Policy Extension AA: Stolen Keys Cover,</li> <li>(v) Automatic Policy Extension FF: Theft Cover,</li> </ul> </li> </ul>

	<p>(b) any fraudulent scheme or device, or false pretence practised on <b>you</b> or any other person,</p> <p>(c) theft, attempted theft or fraud by <b>you</b> or an employee of <b>yours</b> other than cover provided by Automatic Policy Extension R: Money Cover.</p> <p>6. <b>loss</b> following any of these events:</p> <p>(a) exposure to weather conditions if the property is not designed to be left in the open (unless reasonable precautions have been taken to protect the property from those conditions),</p> <p>(b) landslip or subsidence, other than cover provided by Automatic Policy Extension Q: Landslip and Automatic Policy Extension BB: Subsidence and Optional Extension B: Natural Disaster Damage,</p> <p>(c) erosion or expansion of the ground,</p> <p>(d) normal settlement, normal shrinkage or expansion of buildings, foundations, walls, pavements, roads and other structural improvements.</p> <p>(e) settling, warping or cracking caused by earth or other movements, other than cover provided by Optional Policy Extension B: Natural Disaster Cover.</p>
<p>C. BUILDING DEFECTS</p>	<p>This policy does not insure <b>loss</b> as a result of or in connection with the failure of any <b>building</b> or structure to contain or incorporate:</p> <ul style="list-style-type: none"> <li>a. materials; or</li> <li>b. a design; or</li> <li>c. a system; or</li> <li>d. a standard of workmanship;</li> </ul> <p>that effectively prevents or manages the presence or penetration of moisture or water to which the <b>building</b> or structure might reasonably be subjected.</p> <p>This exclusion does not apply to loss that is caused by or directly arises from the leakage of internal pipes, internal water reticulation systems or internal cisterns.</p>

<p>D. COMPUTER VIRUS AND DATA CORRUPTION</p>	<p>This policy does not insure <b>loss</b> directly or indirectly caused by or resulting from:</p> <ul style="list-style-type: none"> <li>a. the gaining of access to <b>your</b> computer system via data communication media that terminate in <b>your</b> computer system;</li> <li>b. data corruption, amendment of data or erasure of data by electronic or non-electronic means; or</li> <li>⊖ computer virus, being an executable programme or computer code segment that is self-replicating (or requires a host programme to replicate itself), requires a host programme or executable disc segment in which it can be contained, and which destroys or alters the host programme or other computer code or data, causing undesired programme or computer system operation.</li> </ul>
<p>E. CONFISCATION</p>	<p>This policy does not insure <b>loss</b> in connection with confiscation, nationalisation, requisition or destruction of, or damage to property by order of government, public or local authority (unless the order is given to control any immediate and imminent threat of <b>loss</b> provided that the <b>loss</b> would be covered by this policy if it did occur).</p>
<p>F. CONSEQUENTIAL FINANCIAL LOSS</p>	<p>This policy does not insure any kind of consequential financial loss (<i>e.g. financial loss that occurs as a direct or indirect result of the loss of insured property</i>), including the following:</p> <ul style="list-style-type: none"> <li>1. delays,</li> <li>2. loss of market,</li> <li>3. penalties,</li> <li>4. rates, taxes, duties, development charges,</li> <li>5. other charges or assessments arising out of capital appreciation, that are payable to comply with any <b>regulations</b>,</li> <li>6. loss of use of any property, other than cover provided by: <ul style="list-style-type: none"> <li>(a) Automatic Policy Extension – K. Expediting Costs Cover,</li> <li>(b) Automatic Policy Extension V: Redundant Foundations,</li> <li>(c) Automatic Policy Extension W Redundant Plant and Stock.</li> </ul> </li> </ul>
<p>G. COSTS NOT INSURED</p>	<p>This policy does not insure the cost of putting right:</p> <ul style="list-style-type: none"> <li>a. or repairing or replacing faulty materials;</li> </ul>

	<ul style="list-style-type: none"> <li>b. faulty workmanship;</li> <li>c. work performed to a faulty or defective design, plan or design specification; or</li> <li>d. faulty or defective work where the fault or defect results from an error or omission in design, plan or design specification;</li> <li>e. altering or modifying any part of any refrigeration or air conditioning plant to enable the plant to operate with a more ozone friendly refrigerant;</li> </ul> <p>but this exclusion does not apply to any consequential damage occurring as a result of (a) to (e) above that is not otherwise excluded.</p>
<p>H. DAMAGE TO MACHINERY</p>	<p>This policy does not insure any <b>machinery breakdown</b> of a <b>machine</b>. This does not apply:</p> <ul style="list-style-type: none"> <li>(a) where sudden and <b>accidental loss</b> covered under this policy (or that would have been covered if the property was insured under this policy) occurs completely outside the <b>machine</b> resulting in the <b>machinery breakdown</b> occurring. However, this proviso does not apply to <b>machinery breakdown</b> resulting directly or indirectly from any: <ul style="list-style-type: none"> <li>(i) error in: setting, programming or operating the <b>machine</b>, or</li> <li>(ii) <b>stock</b> or part of the <b>machine</b> being drawn into the <b>machine</b>, or</li> <li>(iii) failure to service or maintain the <b>machine</b> correctly, or</li> </ul> </li> <li>(b) to resultant sudden and <b>accidental loss</b> to other parts of the <b>machine</b> that is not <b>machinery breakdown</b>, or</li> <li>(c) to the cover provided by Automatic Policy Extension H: Electric Motors Cover, or</li> <li>(d) to the cover provided by Automatic Policy Extension X: Refrigerated Goods.</li> </ul>
<p>I. DAMAGE TO BOILERS AND PRESSURE VESSELS</p>	<p>This policy does not insure the cost of repairing or replacing any part of a boiler or <b>pressure vessel</b> that suffers <b>loss</b> through:</p> <ol style="list-style-type: none"> <li>1. explosion, overheating, rupture, bursting or collapse (but not</li> </ol>



	<p>pressure caused by chemical explosion), or</p> <p>2. cracking or leaking.</p> <p>This exclusion does not apply to any resultant sudden and <b>accidental loss</b> to other parts of the boiler or <b>pressure vessel</b> arising from the above.</p>
J. ELECTRONIC DATA AND SOFTWARE	<p>There is no cover under this policy for any claim, <b>loss</b>, damage, liability, death or disablement resulting from or directly or indirectly caused by or arising in connection with:</p> <ul style="list-style-type: none"> <li>a. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of electronic data;</li> <li>b. error in creating, amending, entering, deleting or using electronic data;</li> <li>c. total or partial inability or failure to receive, send, access or use electronic data for any time or at all;</li> <li>d. communication, display, distribution or publication of electronic data but not where this causes bodily injury if otherwise covered by this policy or a section of this policy but for this exclusion;</li> </ul> <p>regardless of any other contributing cause or <b>event</b> whenever it may occur.</p>
K. INFECTIOUS DISEASES	<p>This policy does not insure <b>loss</b> directly or indirectly caused by, or in connection with, any infectious animal or human disease.</p>
L. NATURAL DISASTER	<p>This policy does not insure <b>natural disaster damage</b> other than cover provided by Optional Policy Extension B: Natural Disaster Cover.</p>
M. NUCLEAR	<p>There is no cover under this policy for any claim, <b>loss</b>, damage, liability, death or disablement resulting from or directly or indirectly caused by or arising in connection with:</p> <p>nuclear weapons material, ionising radiations or contamination from any nuclear fuel, or from any nuclear waste which results from the combustion (including self sustaining process of nuclear fission) of nuclear fuel.</p>

N. PRODUCTION PROCESSES	This policy does not insure <b>loss</b> to <b>insured property</b> while undergoing any <b>production process</b> where any part of that <b>production process</b> (including any <b>accidental</b> modification of the process), causes or contributes towards the <b>loss</b> in any way.
O. SEEPAGE, POLLUTION AND CONTAMINATION	This policy does not insure <b>loss</b> in connection with seepage, pollution or contamination except if the seepage, pollution or contamination results from sudden and <b>accidental loss to insured property</b> , which is otherwise covered under this policy.
P. SEISMIC STENGTHENING	<p>This policy does not insure any additional cost necessary only to comply with <b>regulations</b> applicable to the repair, replacement or reinstatement of damaged <b>insured property</b> (or any portion of it) in connection with:</p> <ul style="list-style-type: none"> <li><i>(i)</i> property being an earthquake-prone building as described in the Building Act 2004 (and any substitution of, or amendment to, replacement of or statutory regulation made under this Act); or</li> <li><i>(ii)</i> the seismic capacity of the property; or</li> <li><i>(iii)</i> the performance of the property in an earthquake.</li> </ul> <p>For the avoidance of doubt, the costs to reinstate the level of seismic capacity or earthquake performance which applied to the <b>insured property</b> prior to the damage are not excluded by this policy.</p>
Q. TERRORISM	<p>This policy does not insure any <b>loss</b>, damage, liability, death, injury, illness, or any other form of cover otherwise available under this policy of whatsoever nature directly or indirectly caused by, resulting from or arising in connection with:</p> <p>any <b>act of terrorism</b> regardless of any other cause or event contributing concurrently or in any other sequence to such <b>loss</b>, damage, liability, death, injury, illness, cost or expense or action taken in controlling, preventing, suppressing or in any way relating to <b>any act of terrorism</b>.</p>
R. TRANSMISSION AND DISTRIBUTION LINES	This policy does not insure any above ground transmission and distribution lines, including wire, cables, poles, pylons, standards,

	<p>towers, other supporting structures and any equipment of any type which is related to such installations.</p> <p>This exclusion applies to all equipment other than that which is on or within 300 metres of an insured structure and which is the responsibility of the Insured.</p> <p>This exclusion applies both to physical <b>loss</b> to the equipment and all business interruption, consequential loss, and/or other contingent losses related to transmission and distribution lines, other than losses following loss or damage not excluded in the above paragraph and/or as insured under the Contingent Business Interruption automatic extension of the Business Interruption policy.</p>
S. WAR	<p>There is no cover under this policy for any claim, <b>loss</b>, damage, liability, death or disablement resulting from or directly or indirectly caused by or arising in connection with:</p> <p>war, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, civil commotion assuming the proportions of or amounting to a popular rising, military rising, mutiny, rebellion, revolution, insurrection, military or usurped power.</p>

## HOW WE WILL PAY

A. BASIS OF SETTLEMENT: REINSTATEMENT	<p>This basis of settlement applies to those items or categories of <b>insured property</b> that are shown on the <b>schedule</b> to be insured for Reinstatement.</p> <p>In the event of any <b>insured property</b> to which this basis of settlement provision applies suffering <b>loss</b>, the basis on which the amount payable is to be calculated will be the cost of <b>reinstatement</b> of that property.</p> <p>Insurance under this basis of settlement provision is subject to the special provisions set out below.</p> <p>No <b>insured property</b> that has suffered <b>loss</b> will be considered <b>destroyed</b> for the purposes of this basis of settlement provision by</p>
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reason only of any cost in **reinstatement** to comply with **regulations** which is not payable under this basis of settlement provision.

**Equivalent building** means a **building** or structure that is nearly as practicable the same as the **building** or structure lost or **destroyed**, using modern equivalent materials, skills and techniques that are readily available in the country that the lost or **destroyed building** is located in, and incorporating such alterations that are necessary to comply with any **regulations** that are in force on the date that the **loss** occurs, but subject to any limitations or exclusions to such **regulations** in this Material Damage policy.

Where, as a result of any special circumstances no **building** or structure that falls within the scope of the paragraph above:

(a) can be constructed:

a **building** or structure that is designed to perform a purpose or function the same as or equivalent to (but not more extensive than) that performed by the **building** or structure lost or **destroyed**; or

(b) is suitable to **your** reasonable requirement:

then with **our** consent (which will not be unreasonably withheld), a **building** or structure that is designed to perform a purpose or function suitable to that requirement, but not more extensive than that performed by the **building** or structure lost or **destroyed**.

**Equivalent plant** means any plant or equipment as nearly as practicable the same as or equivalent to the plant or equipment lost or **destroyed**, having regard to the current state of technology, and having an equivalent capacity to that of the lost or **destroyed** plant or equipment, but not greater capacity unless plant or equipment with an equivalent capacity is not available and the replacement plant or equipment has the nearest to an equivalent capacity.

**Reinstatement** means in respect of **insured property** that has suffered **loss**:

(a) where property is **destroyed**, its replacement by an **equivalent building** or by **equivalent plant** as the case may require; or

(b) where property has suffered **loss** but is not **destroyed**, the restoration of the damaged portion of the property to a condition substantially the same as, but not better or more extensive than, its condition when new, using modern equivalent materials, skills and techniques that are readily available and which, if the property is a **building**, are readily available in the country that the **building** is located in.

**Special provisions:**

1. Compliance with **regulations**

The amount payable under this basis of settlement provision will include the cost incurred in **reinstatement** which is necessary to comply with any **regulations** that are in force on the date that the **loss** occurs.

Provided that the amount payable will not include any such cost:

(a) to the extent to which the work had already been required of **you** by notice served before the happening of the **loss**; or

(b) in respect of **undamaged** property or **undamaged** portions of property (unless foundations are expressly excluded from the insurance under this Material Damage policy) whether or not the **undamaged** property or portion comprises a separate **building** or structure or a separate item of plant or equipment; or

(c) to the extent to which the work is required, whether in whole or in part, because damaged (but not **destroyed**) property (or any portion of it):

(i) is an earthquake-prone building as described in the Building Act 2004 (and any substitution of, or amendment to, replacement of or statutory regulation made under this Act);

or

(ii) does not comply with any **regulations** applicable at the time of **reinstatement** in connection with:

- the seismic capacity other than foundations of the property; or
- the performance of the property in an earthquake.

whether or not the work is also required in order to comply with any other **regulations**.

Notwithstanding any other provision in this basis of settlement provision or the Material Damage policy, **we** are not liable to pay any cost incurred in **reinstatement** which is necessary to comply with **regulations** other than in accordance with the terms of this special provision.

## 2. Site of reinstatement

Where property is **destroyed** the work of **reinstatement** must be carried out on the same **site**. The work may be carried out upon another **site** only:

(a) where **reinstatement** on the same **site** is not permissible by reason of any **regulations**; or

(b) where **reinstatement** on the same **site** is not suitable to **your** reasonable requirements, in which case, and with **our** consent (which will not be unreasonably withheld), **reinstatement** may be carried out on an alternative **site** in the same country as the current site.

## 3. Limitations on amount payable

(a) Where the work of **reinstatement** is carried out in terms of paragraphs (a) or (b) of the **equivalent building** definition, or on any location other than the original location at the same **site**, **our** liability in respect of the cost of **reinstatement** will not exceed the cost that would have been incurred had **reinstatement** been carried out in terms of the first paragraph of the **equivalent building** definition on the original location.

(b) Where the insured property is damaged but not **destroyed**, **our**

liability will not exceed the amount **we** could have been called upon to pay for **reinstatement** if the property had been **destroyed**.

(c) Our liability under this basis of settlement provision in respect of any item or category of **insured property** at the **situation** will not exceed the lesser of the total sum insured at the situation or any other sum declared to us or included on the **schedule** in respect of that item or category of **insured property** at the **situation** as set out in 'What We Will Pay – A. Maximum Amount Payable'. The sum insured adjustment for existing **loss** provided for in "What We Will Pay C. sum insured adjustment on renewal for unrepaired items" will apply to all sums insured for **reinstatement**. In the case of **natural disaster damage**, the applicable sums insured will be those declared to **us** or otherwise specified on the **schedule** in respect of **natural disaster**, to which the **sum insured** adjustment for existing **loss** provided for in "What We Will pay C. sum insured adjustment on renewal for unrepaired items" will also apply.

4. Circumstances where this basis of settlement provision does not apply

No payment, beyond the amount that would have been payable had this basis of settlement provision not been incorporated in this Material Damage policy, will be made:

- (a) if **you** elect not to reinstate the property;
- (b) if the work of **reinstatement** is not commenced and carried out with reasonable despatch;
- (c) until the cost of **reinstatement** has been actually incurred; or
- (d) where a **building** or structure is damaged, but not **destroyed**, and the repair of the **loss** is not permissible by reason of any **regulations**, or by reason of the **undamaged** portion of the property.

Where, by reason of any of these circumstances, no payment is to be made beyond the amount that would have been payable if this basis

	<p>of settlement provision had not been incorporated in this Material Damage policy, <b>your</b> and <b>our</b> rights and liabilities in respect of the <b>loss</b> will be the same as if this basis of settlement provision had not been incorporated in this Material Damage policy.</p> <p>5. Valuation of the property</p> <p>a. Prior to the commencement of each <b>period of insurance</b>, and in respect of that period, at our request you must provide <b>us</b> with a certificate by a valuer approved by <b>us</b> specifying the estimated cost of <b>reinstatement</b> (as defined in this policy) of any item or items of <b>insured property</b> to which this basis of settlement provision applies.</p> <p>b. The certificate must also contain such other estimates or information as <b>we</b> may reasonably require.</p> <p>c. The sum to be insured under this basis of settlement provision in respect of each item will not be less than the amount specified in the certificate in respect of that item, unless <b>we</b> have agreed in writing to a lesser sum to be insured.</p>
<p>B. ADDITIONAL COSTS YOU ARE COVERED FOR</p>	<p>Where <b>insured property</b> has suffered a <b>loss</b> covered by this policy, then included in 'What We Will Pay - A. Maximum Amount Payable' for the <b>insured property</b> are:</p> <p><b>Fees and Other Costs</b></p> <p>Necessary and reasonable costs incurred for:</p> <ol style="list-style-type: none"> <li>1. architect's, engineer's, surveyor's, building consultant's fees, and/or</li> <li>2. consents and associated legal fees, and/or</li> <li>3. training consultants and IT technicians,</li> </ol> <p>to repair or replace the damaged, lost or <b>destroyed insured property</b> following a <b>loss</b> covered by this policy.</p> <p>Payment under this provision is included within the <b>building</b> sum insured. Refer to 'What We Will Pay – A. Maximum Amount Payable'.</p> <p><b>Claims Preparation Costs</b></p> <p>Necessary and reasonable costs incurred to assess or prepare a claim following a <b>loss</b> covered by this policy.</p> <p><b>You</b> are not insured for any costs incurred to investigate or negotiate</p>



	<p>a claim made under this policy.</p> <p>The most <b>we</b> will pay for any <b>event</b> is \$25,000.</p> <p>Payment under this provision is included within the <b>building</b> sum insured. Refer to 'What We Will Pay – A. Maximum Amount Payable'.</p>
<p>C. BASIS OF SETTLEMENT: CERTAIN TYPES OF PROPERTY</p>	<p>The method of indemnity for the following types of <b>insured property</b> will be as follows, regardless of any basis of settlement shown in the <b>schedule</b> to the contrary.</p> <p><b>Stock</b></p> <p>For <b>loss</b> to <b>stock</b> that is not <b>customers' goods</b>, <b>we</b> will indemnify <b>you</b> by using one of the following methods:</p> <ol style="list-style-type: none"> <li>1. for raw materials, supplies and other merchandise not manufactured by <b>you</b>: <ol style="list-style-type: none"> <li>(a) the replacement cost at the time of replacement, provided that the replacement is carried out within a reasonable period of time, or</li> <li>(b) if this property is not replaced, the market value of it at the time and place of the <b>loss</b>.</li> </ol> </li> <li>2. for materials in the process of manufacture: the replacement cost of the raw materials and the cost of labour and other overhead charges expended at the time of the <b>loss</b>.</li> <li>3. for finished goods: the replacement cost of the raw materials and the cost of labour and other overhead charges expended before any allowance for profit, or the cost of re-stocking these goods, whichever is the lesser.</li> </ol> <p>For <b>loss</b> to <b>stock</b> that is <b>customers' goods</b>, <b>we</b> will at <b>our</b> option pay:</p> <ol style="list-style-type: none"> <li>1. the indemnity value of the <b>customers' goods</b>, or</li> <li>2. the cost to repair the <b>customers' goods</b>, as near as reasonably possible, to the condition they were in immediately prior to the <b>loss</b>.</li> </ol>
	<p><b>Works of Art</b></p> <p>Where there is <b>loss</b> to <b>insured property</b> comprising a <b>work of art</b>, <b>we</b> may appoint an independent and suitably qualified valuer or restorer to determine whether the <b>work of art</b> can be restored to its pre-damage condition.</p>

	<p>If the valuer or restorer determines that the <b>work of art</b> cannot be economically restored to its pre-damage condition, the <b>work of art</b> will be deemed destroyed. Its pre-damage value will be determined by the valuer, or, providing the restorer is suitably qualified, by the restorer. The amount payable as indemnity will be the difference between the pre-damage value and any salvage value of the damaged <b>work of art</b>.</p> <p>If the valuer or restorer determines that the <b>work of art</b> can be economically restored to its pre-damage condition, the amount payable as indemnity will be the cost of restoration or, if the restoration is not carried out, the restorer's reasonable estimate of the cost of restoration.</p> <p>In the event of the total loss of any <b>work of art</b>, or <b>works of art</b>, that forms part of a set, <b>we</b> agree to pay <b>you</b> the full amount of the value of such set and <b>you</b> agree to surrender the remaining article or articles of the set to <b>us</b>.</p> <p>Providing a <b>work of art</b> has been satisfactorily restored following <b>loss</b>, this insurance does not cover any diminution of value due solely to the fact of the work of art having been damaged and restored. The onus of proving that any restoration work is unsatisfactory rests with <b>you</b>.</p>
	<p><b>Electronic Data</b></p> <p>For <b>loss</b> to <b>electronic data</b> <b>we</b> will pay the cost of blank media plus the cost of copying the <b>electronic data</b> from back-up or from originals of a previous generation.</p> <p>These costs will not include research and engineering, or any costs of recreating, gathering or assembling the <b>electronic data</b>.</p> <p>If the media is not repaired, replaced or restored, <b>we</b> will pay the cost of blank media. However, <b>we</b> do not cover the value of the <b>electronic data</b> to <b>you</b>, even if the <b>electronic data</b> cannot be recreated, gathered or assembled.</p>
	<p><b>Software</b></p> <p>For <b>loss</b> to <b>software</b>, <b>we</b> will pay the reasonable cost of, restoring, re-setting or re-programming the <b>software</b> that is necessary to operate any electronic equipment or <b>machine</b> insured under this</p>

	policy.
	<p><b>Portable electronic equipment</b></p> <p>For <b>loss</b> to <b>portable electronic equipment</b> more than 2 years old <b>we</b> will at <b>our</b> option pay:</p> <ol style="list-style-type: none"> <li>1. the indemnity value of the <b>portable electronic equipment</b>, or</li> <li>2. the cost to repair the <b>portable electronic equipment</b>, as near as reasonably possible, to the condition it was in immediately prior to the <b>loss</b>.</li> </ol>
	<p><b>Limited Lifetime construction materials</b></p> <p>For <b>loss</b> to:</p> <ol style="list-style-type: none"> <li>1. cladding, roofing or skylights, where they are made of plastic, polycarbonate, acrylic or PVC materials, and/or</li> <li>2. any textile awnings or shade sails,</li> </ol> <p><b>we</b> will at <b>our</b> option pay:</p> <ol style="list-style-type: none"> <li>(a) the indemnity value of the materials, or</li> <li>(b) the cost to repair the materials , as near as reasonably possible, to the condition they were in immediately prior to the <b>loss</b>.</li> </ol> <p>The indemnity value of the materials will be depreciated over the lifetime of the product based upon the manufacturer’s UV rating.</p>
	<p><b>Office Equipment Upgrade</b></p> <p>For <b>loss</b> to <b>office equipment</b>, <b>we</b> will pay the cost for <b>you</b> to replace the equipment with an alternative model(s) of <b>office equipment</b>, provided that:</p> <ol style="list-style-type: none"> <li>1. the alternative model has more energy-efficient features, and</li> <li>2. the alternative model has otherwise comparable features and capabilities, and</li> <li>3. the <b>office equipment</b> is <b>destroyed</b>, and <b>we</b> approve the upgrade.</li> </ol>

**WHAT WE WILL PAY**

A. MAXIMUM AMOUNT PAYABLE	The amounts shown in the <b>schedule</b> of <b>insured property</b> are the sums insured declared by <b>you</b> for insurance purposes. The maximum we will pay in total during the <b>period of insurance</b> for <b>loss</b> or damage to any item of <b>insured property</b> will not exceed 110% of
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	<p>the sum insured during the <b>period of insurance</b> for that item up to a maximum of the Total Sum Insured. Where sums insured have been declared to <b>us</b> or included on the <b>schedule</b> for more than one <b>situation</b>, item and/or category of <b>insured property</b>, <b>our</b> liability will not exceed in respect of each <b>situation</b>, and each item or category of <b>insured property</b> at a <b>situation</b>, the 110% of the applicable sum insured.</p> <p>Any provision in this Policy for <b>our</b> liability to be greater than the Sum Insured for any item does not apply to <b>natural disaster damage</b>.</p>
<p>B. REINSTATEMENT OF SUM INSURED ONCE REPAIRED</p>	<p>The sum insured will only be reinstated as follows:</p> <p>If the <b>insured property</b>:</p> <ol style="list-style-type: none"> <li>1. is automatically covered under this policy during its repair or replacement, the amount reduced will be progressively added back to the sum insured at the rate that the <b>insured property</b> that suffered the <b>loss</b> is progressively repaired or replaced.</li> <li>2. is not automatically covered under this policy during its repair or replacement, the amount reduced will only be added back to the sum insured once the repair or replacement of the <b>insured property</b> that suffered the <b>loss</b> has been completed.</li> </ol> <p>The sum insured will not reinstate following <b>natural disaster damage</b> unless <b>we</b> have agreed to the reinstatement in writing. <b>We</b> may ask <b>you</b> to pay an additional premium for any reinstatement of the sum insured.</p>
<p>C. SUM INSURED ADJUSTMENT ON RENEWAL FOR UNREPAIRED ITEMS</p>	<p>The sum insured for any item of <b>insured property</b> that has suffered <b>loss</b> in any previous <b>annual period</b> and that has not been repaired or replaced at the start of the current <b>annual period</b> is:</p> <ol style="list-style-type: none"> <li>1. the maximum amount payable for that item, less</li> <li>2. the estimated cost of repairing or replacing the existing unrepaired or non-replaced <b>loss</b>.</li> </ol> <p>The sum insured will only be reinstated to its pre-loss level as follows:</p> <p>If the <b>insured property</b>:</p> <ol style="list-style-type: none"> <li>1. is automatically covered under this policy during its repair or replacement, the amount reduced will be progressively added back to</li> </ol>

	<p>the sum insured at the rate that the <b>insured property</b> that suffered the <b>loss</b> is progressively repaired or replaced.</p> <p>2. is not automatically covered under this policy during its repair or replacement, the amount reduced will only be added back to the sum insured once the repair or replacement of the <b>insured property</b> that suffered the <b>loss</b> has been completed.</p> <p>The sum insured will not reinstate following any claim arising from <b>natural disaster damage</b> unless <b>we</b> have agreed to the reinstatement in writing.</p> <p><b>We</b> may ask <b>you</b> to pay an additional premium for any reinstatement of the sum insured.</p>
<p>D. SUB LIMITS</p>	<p>If any sub limit in this policy is higher than the maximum amount payable for the applicable <b>insured property</b> as shown in the <b>schedule</b>, the sub limit does not apply and the most <b>we</b> will pay is the maximum amount payable.</p>
<p>E. ITEMS OF INSURED PROPERTY WITH LIMITED COVER</p>	<p>The amount <b>we</b> will pay for some items of <b>insured property</b> is limited as follows:</p> <p><b>Customers' goods</b></p> <p>The most <b>we</b> will pay for <b>customers' goods</b> in total during an <b>annual period</b> is \$20,000 unless a different amount for <b>customers' goods</b> is shown in the <b>schedule</b>.</p> <p><b>Site Improvements</b></p> <p>The most <b>we</b> will pay for <b>site improvements</b> at the <b>site</b> in total during any <b>annual period</b> is:</p> <ol style="list-style-type: none"> <li>1. 5% of the maximum amount payable for <b>building(s)</b> at that <b>site</b>, or</li> <li>2. \$250,000,</li> </ol> <p>whichever is the lesser, unless a different amount for <b>site improvements</b> is shown in the <b>schedule</b>.</p> <p><b>Landscaping</b></p> <p>The most <b>we</b> will pay for <b>landscaping</b> at the <b>site</b> in total during any <b>annual period</b> is:</p> <ol style="list-style-type: none"> <li>1. 5% of the maximum amount payable for <b>building(s)</b> at that <b>site</b>, or</li> </ol>

	<p>2. \$25,000, whichever is the lesser, unless a different amount for <b>landscaping</b> is shown in the <b>schedule</b>.</p> <p><b>Works of Art</b> The most <b>we</b> will pay for any individual <b>work of art</b> for any <b>event</b> is \$25,000 unless a different amount for that <b>work of art</b> is shown in the <b>schedule</b>.</p>
EXCESS	<p>Each loss or series of losses arising out of one <b>event</b> at any <b>situation</b> will be adjusted separately. The adjusted loss will be net of salvage and other recoveries. From each adjusted loss, the excess amount specified in the <b>schedule</b> will be deducted.</p> <p>A series of <b>events</b> arising from any one cause during any period of 72 consecutive hours will be treated as one <b>event</b> for the purpose of applying the excess.</p> <p>From the amount otherwise payable under the policy, <b>we</b> will deduct the excess amount or excess percentage shown in the <b>schedule</b>. The excess will in all cases apply to the adjusted loss within the coverage of the policy.</p>
ONE EXCESS	<p>If a single <b>event</b> causes sudden and <b>accidental loss</b> to tangible property that <b>you</b> insure with <b>us</b> under this or any other policy only one <b>excess</b> will apply being the highest applicable individual policy excess. This does not apply to <b>natural disaster damage</b>.</p>
GST	<p>Where GST is recoverable by <b>us</b> under the Goods and Services Tax Act 1985:</p> <ol style="list-style-type: none"> <li>1. all sums insured exclude GST, and</li> <li>2. all sub limits exclude GST, and</li> <li>3. all excesses include GST, and</li> </ol> <p>GST will be added, where applicable, to claim payments.</p>

## HOW TO CLAIM

### A. WHAT YOU MUST DO

If anything happens that may lead to a claim under this policy, **you** must:

1. do what **you** can to take care of the **insured property** to

	<p>prevent any further <b>loss</b>, expense or liability, and</p> <ol style="list-style-type: none"> <li>2. tell <b>us</b> as soon as possible, and</li> <li>3. notify the police as soon as possible if <b>you</b> think any <b>loss</b> was caused by an illegal act, and</li> <li>4. allow <b>us</b> to examine the <b>insured property</b> before any repairs are started, and</li> <li>5. not destroy or dispose of anything that is or could be part of a claim, and</li> <li>6. send to <b>us</b> as soon as possible anything <b>you</b> receive from anyone about a claim or possible claim against <b>you</b>, and</li> <li>7. give <b>us</b> any information or help that <b>we</b> ask for, and</li> <li>8. consent to <b>your</b> personal information, in connection with the claim, being: <ol style="list-style-type: none"> <li>(a) disclosed to <b>us</b>, and</li> <li>(b) transferred to the Insurance Claims Register Limited.</li> </ol> </li> </ol>
<p>B. WHAT YOU MUST OBTAIN OUR AGREEMENT TO DO</p>	<p><b>You</b> must obtain <b>our</b> agreement before <b>you</b>:</p> <ol style="list-style-type: none"> <li>1. incur any expenses in connection with any claim under this policy, or</li> <li>2. negotiate, pay, settle, admit or deny any claim against <b>you</b>, or</li> <li>3. do anything that may prejudice <b>our</b> rights of recovery.</li> </ol>
<p>C. DISHONESTY</p>	<p>If <b>your</b> claim is dishonest or fraudulent in any way, <b>we</b> may:</p> <ol style="list-style-type: none"> <li>1. decline <b>your</b> claim either in whole or in part, and/or</li> <li>2. declare either this Policy or all insurance <b>you</b> have with <b>us</b> to be of no effect and to no longer exist from the date of the dishonest or fraudulent act.</li> </ol> <p>This is at <b>our</b> sole discretion.</p>
<p>D. ACTIONS WE MAY TAKE</p>	<p><b>1. Subrogation</b></p> <p>Once <b>we</b> have accepted any part of <b>your</b> claim under this policy, <b>we</b> may assume <b>your</b> legal right of recovery. If <b>we</b> initiate a recovery <b>we</b> will include <b>your</b> excess, and any other uninsured <b>losses</b> suffered by <b>you</b>. Where <b>we</b> do this, <b>you</b> agree to pay <b>your</b> proportional share of the recovery costs, and subsequently the proceeds of the recovery will be shared on the same proportional basis, except that <b>we</b> will reimburse <b>your</b> excess first.</p> <p><b>You</b> must fully co-operate with any recovery process. If <b>you</b> do not,</p>

	<p><b>we</b> may recover from <b>you</b> the amount paid in relation to the claim.</p> <p><b>2. Recoveries</b></p> <p>If any property that <b>we</b> have paid a claim for is later found or recovered, <b>you</b> must tell <b>us</b> immediately and hand it over to <b>us</b> if <b>we</b> request it. <b>We</b> have the right to keep any property that <b>we</b> have paid a claim for under this policy, including any proceeds if it is sold.</p> <p><b>3. Reparation</b></p> <p>If any person is ordered to make reparation to <b>you</b> for <b>loss</b> to any property that <b>we</b> have paid a claim under this policy for, then <b>you</b> must tell <b>us</b>. Any payments received, must first reimburse <b>our</b> claims payment up to the amount of any reparation received.</p> <p><b>4. Branded Stock</b></p> <p>For salvage that is branded goods or merchandise, <b>we</b> will not dispose of these items by sale unless <b>you</b> agree. If <b>you</b> do not agree, the value of the salvage will be deducted from any claim payment.</p>
MUTUALLY ACCEPTABLE ASSESSORS	Where <b>we</b> appoint any loss adjuster, assessor, surveyor, valuer or investigator to any claim under this policy, the appointee must be mutually acceptable to both <b>ourselves</b> and <b>you</b> .

<b>GENERAL CONDITIONS</b>	
A. HOW WE WILL ADMINISTER THIS POLICY	<p><b>1. Cancellation</b></p> <p>BY YOU</p> <p><b>You</b> may cancel this policy at any time by notifying <b>us</b>. If <b>you</b> do, <b>we</b> will refund any premium that is due to <b>you</b> based on the unused portion of the <b>period of insurance</b>. <b>You</b> must pay any outstanding premium due for the used portion of the <b>period of insurance</b>.</p> <p>BY US</p> <p><b>We</b> may cancel this policy by giving <b>you</b> or <b>your</b> broker notice in writing or by electronic means at <b>your</b> or <b>your</b> broker's last known address. <b>Your</b> policy will be cancelled from 4pm on the 30<sup>th</sup> day after the date of the notice. <b>We</b> will refund <b>you</b> any premium that is due</p>



	<p>to <b>you</b> based on the unused portion of the <b>period of insurance</b>.</p> <p><b>2. Change of Terms</b></p> <p><b>We</b> may change the terms of this policy (including the excess) by giving <b>you</b> or <b>your</b> broker notice in writing or by electronic means at <b>your</b> or <b>your</b> broker's last known address. Unless otherwise specified in this policy the change in terms will take effect from 4pm on the 30<sup>th</sup> day after the date of the notice.</p> <p><b>3. Other Insurance</b></p> <p><b>You</b> must notify <b>us</b> as soon as <b>you</b> know of any other insurance policy that covers <b>you</b> for any of the risks covered under this policy. This policy does not cover <b>your loss</b> at all if it is insured to any extent under any other insurance policy. <b>We</b> will not contribute towards any claim under any other insurance policy. This does not apply to cover provided by Automatic Policy Extension J: Employee Effects Cover or Automatic Policy Extension EE: Tenanted Premises, or to cover for <b>customers' goods</b>.</p> <p><b>4. Interests of Other Parties</b></p> <p>If <b>we</b> are advised of any party having a financial interest over <b>your insured property</b>, <b>we</b> may pay part or all of any valid claim proceeds to that party to the extent of their interest. This will form part of <b>our</b> obligations to <b>you</b> under this policy. <b>You</b> consent to <b>us</b> transferring <b>your</b> relevant personal information to that party. Any party, who is recorded as having a financial interest under this policy, is not covered by this policy and does not have rights to claim under this policy.</p> <p><b>5. Separate Insurance</b></p> <p>If more than one person or entity is named as 'Insured' in the <b>schedule</b>, then all the parties are insured separately (as though a separate policy had been issued to each person/entity). However, the sum insured and any sublimit in this policy will apply to the aggregate of all amounts payable to all insureds for any <b>event</b>.</p>
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## 6. Premium Adjustments

If the premium for this policy has been calculated based on estimated figures, then the premium is only a provisional premium for the **annual period**.

Within 3 months of the expiry of the **annual period**, **you** must tell **us** what the actual figures are. **We** will re-calculate **your** actual premium based on the actual figures.

The difference between the actual and the provisional premiums will either be payable to **us** or refunded to **you** depending on the outcome of the adjustment, but any refund will be limited to a maximum of 50% of the provisional premium.

## 7. Stock Declarations

Where **stock** is insured on a Stock Declaration basis, the premium charged on the item **stock** is provisional and represents 75% of the full premium payable for that item. At the end of each **annual period** **we** will adjust it as follows:

1. **you** must give **us** a declaration of the actual value of the **stock** **you** held on the last business day of each month for the **annual period**. This must be received by **us** within six weeks from the end date of the **annual period**,
2. if a monthly declaration exceeds the sum insured then **we** will adjust it back to the sum insured for the purpose of calculating **your stock** averages,
3. if no declaration is received for any one month, the **stock** sum insured will apply for that month,
4. the average of the monthly declarations will be calculated at the end of the **annual period** and the final premium payable will be based on the greater of:
  - (a) that average, or
  - (b) one half of the sum insured on **stock**,
5. **we** will re-calculate **your** actual premium based on the actual figures. The difference between the actual and the provisional premiums will either be payable to **us** or refunded to **you** depending upon the outcome of the adjustment, but any refund will be limited to a maximum of 50% of the provisional premium.

	<p><b>8. Co-insurance</b></p> <p>It is agreed that the insurer in respect of this policy is the insurer or insurers who accept(s) to its/their account the percentage stated against its/their name.</p> <p>The subscribing insurer obligations under this contract of insurance to which they subscribe are several and not joint, and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligation.</p>
<p>B. LAWS AND ACTS THAT GOVERN THIS POLICY</p>	<p>1. <b>Governing Law and Jurisdiction</b></p> <p>The law of New Zealand applies to this policy and the New Zealand Courts have exclusive jurisdiction.</p> <p>2. <b>Legislation Changes</b></p> <p>Any reference to any Act of Parliament or subordinate rules referred to in this policy included any amendments made or substitutions to that law.</p> <p>3. <b>Insurance Law Reform Acts</b></p> <p>The exclusions and conditions in this policy are subject to <b>your</b> rights under the Insurance Law Reform Acts 1977 and 1985.</p> <p>4. <b>Currency</b></p> <p>Any amounts shown in this policy and in the <b>schedule</b> are in New Zealand dollars.</p>
<p>C. YOUR OBLIGATIONS</p>	<p>1. <b>Breach of Any Condition</b></p> <p>If:</p> <ol style="list-style-type: none"> <li>1. <b>you</b>, or</li> <li>2. any other person or entity <b>we</b> cover under this policy, or</li> <li>3. anyone acting on <b>your</b> behalf,</li> </ol> <p>breaches any of the terms and/or conditions of this policy, <b>we</b> may:</p> <ol style="list-style-type: none"> <li>(a) decline <b>your</b> claim either in whole or in part, and/or</li> <li>(b) declare either this policy or any or all insurance <b>you</b> have with <b>us</b> to be of no effect and to no longer exist.</li> </ol> <p>The insurance provided by this policy will not be invalidated or prejudiced by reason of any breach of Warranty or Condition of this</p>

	<p>policy where the breach occurs without <b>you</b> knowledge and consent. Provided that notice is given to <b>us</b> as soon as practicable once <b>you</b> become aware of any such breach and <b>you</b> agree to pay an appropriate additional premium if required.</p>
	<p><b>2. Complete and Correct Statements and Answers</b>  <b>You</b> or any person acting on your behalf must make sure all statements made to <b>us</b> are in every respect correct and complete, , when <b>you</b>:</p> <ul style="list-style-type: none"> <li>(a) apply for this insurance, and/or</li> <li>(b) notify <b>us</b> regarding any change in circumstances, and/or</li> <li>(c) make any claim under this policy, and provide any further communication regarding the claim.</li> </ul> <p><b>3. Reasonable Care</b>  <b>You</b> must take reasonable care at all times to avoid circumstances that could result in a claim. <b>Your</b> claim will not be covered if <b>you</b> are reckless or grossly irresponsible.</p>
	<p><b>4. Change in Circumstances</b>  <b>You</b> must notify <b>us</b> immediately if, after <b>we</b> have accepted <b>your application</b> for this policy, there is a material:</p> <ul style="list-style-type: none"> <li>1. increase in the risk covered, or</li> <li>2. alteration of the risk covered.</li> </ul> <p><b>We</b> may change the terms of this policy in response to any material change in circumstances <b>you</b> or anyone else advises <b>us</b> of. The change in terms will be effective from the date of the change in circumstances.</p> <p><i>Information is 'material' where we would have made different decisions about either:</i></p> <ul style="list-style-type: none"> <li>(a) accepting your insurance, or</li> <li>(b) setting the terms of your insurance, if we had known that information.</li> </ul> <p><i>If in any doubt, notify us anyway.</i></p> <p><i>The 'risk covered' refers to both:</i></p> <ul style="list-style-type: none"> <li>(a) the actual property or liabilities insured, and</li> <li>(b) you or other persons covered by this policy.</li> </ul>
D. REPAIRS OR	<b>We</b> will allow <b>you</b> to undertake any repair or replacement work in

REINSTATEMENT BY THE INSURED	<p>relation to the <b>loss</b> covered under this policy and due allowance shall be made for a reasonable margin of profit provided that:</p> <ol style="list-style-type: none"> <li>1. <b>we</b> are satisfied <b>you</b> have the required qualifications and capability to undertake such work, and</li> <li>2. <b>your</b> charges and/or costs are competitive.</li> </ol>
E. RENEWAL TERMS	<p>If <b>we</b> intend to refuse renewal of this policy, or to offer renewal on any terms less favourable to <b>you</b> than those applying during the current <b>period of insurance</b>, <b>we</b> must give <b>you</b> notice of that intention. The notice must be received by <b>you</b> not less than 30 days before the expiry of the current <b>period of insurance</b>. If the notice is not received by that time <b>we</b> will, if so required by <b>you</b>, extend the current <b>period of insurance</b> so that it will expire not less than 30 days after the notice is received by <b>you</b>. <b>You</b> undertake to pay a pro-rata proportion of the annual premium for the period of any extension.</p>
F. WAIVER OF RECOVERY	<p>This policy will not be invalidated or prejudiced by reason of <b>you</b>:</p> <ol style="list-style-type: none"> <li>1. having waived any right of recovery or indemnity <b>you</b> may have against any: <ol style="list-style-type: none"> <li>(a) party to a contract or agreement with <b>you</b> in the ordinary course of business, provided the contract or agreement is not for the supply of goods or services by <b>you</b> and the waiver was made in writing before the <b>loss</b> occurred, or</li> <li>(b) related company forming part of a group of related companies of which <b>you</b> are a member. For the purpose of this General Condition, 'related company' has the same meaning as the definition of those words in the Companies Act 1993, or</li> <li>(c) other party provided that the waiver is made and has been declared to and accepted by <b>us</b>, or</li> </ol> </li> <li>2. having to release from liability any party in accordance with any legislative or regulatory requirement.</li> </ol>
G. SANCTIONS	<p>This policy will not provide cover, nor will <b>we</b> be liable to pay any claim or provide any benefit hereunder, to the extent that the provision of such cover, payment of such claim or provision of such benefit is prohibited by any sanction, prohibition or restriction under the laws or <b>regulations</b> of any jurisdiction applicable to <b>us</b></p>

or **our** parent company or its ultimate controlling entity.

## DEFINITIONS

The definitions apply to the plural and any derivatives of the bolded words. For example, the definition of 'accidental' also applies to the words 'accidentally', 'accident' and 'accidents'.

<b>accidental</b>	Unintended and unforeseen by <b>you</b> .
<b>act of terrorism</b>	An act including but not limited to the use of force or violence and/or the threat of that, including the intention to influence any government or to put in fear the public or any section of the public which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s).
<b>annual period</b>	The <b>period of insurance</b> . However, if: (a) <b>you</b> pay the premium monthly, or (b) the <b>period of insurance</b> is for more than 12 months, the annual period is the current 12 month period calculated consecutively from the date this policy first started.
<b>application</b>	The information provided by <b>you</b> to <b>us</b> when <b>you</b> purchased this insurance or requested a quotation for this insurance from <b>us</b> . It also includes any subsequent information <b>you</b> provide <b>us</b> with.
<b>building</b>	Any of the following: (a) any building, (b) underground and above ground services directly associated with the building, (c) permanent fixtures and fittings at the building(s), including but not limited to signs, sprinkler systems, wired alarm systems, and wired security cameras, (d) <b>site improvements</b> , (e) <b>landscaping</b> , provided that the property is: (a) owned by <b>you</b> (including joint ownership with others), and (b) located at the <b>situation</b> at the start of the <b>period of</b>

	<b>insurance.</b>
<b>business days</b>	The days <b>your</b> business usually operates.
<b>business hours</b>	The hours that: (a) <b>you</b> or any director or manager of <b>yours</b> , or (b) any of <b>your</b> employees who are entrusted with the care, custody or control of <b>money</b> , are on <b>your</b> business premises for the purpose of <b>your</b> business.
<b>business interruption policy</b>	The insurance policy, that <b>we</b> call the Business Interruption Policy, that <b>you</b> have with <b>us</b> that covers the financial interruption or interference with <b>your</b> business operations.
<b>common site</b>	A common physical location where the <b>insured property</b> is linked to achieve a common business purpose at that location.
<b>contents</b>	Any of the following used in connection with <b>your</b> business: (a) machinery, plant, tools and chattels, (b) business fixtures, fittings and furnishings, (c) if <b>you</b> are a tenant, tenant's improvements to the leased building of any type, (d) any other property (other than a building) of a similar nature, provided that: <ul style="list-style-type: none"> <li>• they are owned by <b>you</b> (including joint ownership with others), or</li> <li>• they are leased, hired or borrowed by <b>you</b>.</li> </ul> The term " <b>contents</b> " does not include <b>stock</b> or employee's property.
<b>customers' goods</b>	Property, other than a building, that: (a) is owned by <b>your</b> customers, and (b) is in <b>your</b> temporary possession or temporary legal control in the course of <b>your</b> business activities. <b>Customers' goods</b> do not include <b>contents</b> .
<b>destroyed</b>	So physically damaged by an insured <b>loss</b> that the property, by reason only of that <b>loss</b> , cannot be repaired.
<b>electronic data</b>	Facts, concepts and information converted to a form useable for

	communications, display, distribution, interpretation or processing by electronic or electromechanical data processing or electronically controlled equipment.
<b>EQC Act</b>	Earthquake Commission Act 1993 and any Act in substitution of that Act.
<b>EQC entitlement</b>	An amount payable to <b>you</b> or for <b>your</b> benefit by the Earthquake Commission as a result of <b>loss</b> to the <b>insured property</b> ; and any amount that would have been payable but for: <ol style="list-style-type: none"> <li>1. the application of an excess under the <b>EQC Act</b>,</li> <li>2. a failure by <b>you</b> to correctly notify a claim to the Earthquake Commission within the time required under the <b>EQC Act</b>,</li> <li>3. a decision by the Earthquake Commission to decline a claim or limit its liability for that <b>loss</b> in whole or in part and for any reason whatsoever,</li> </ol> any act or omission on <b>your</b> part, the part of <b>your</b> agent, or the part of the Earthquake Commission.
<b>event</b>	Any one event or series of events arising from one source or original cause.
<b>fusion</b>	the process of fusing or melting together of windings or wiring following damage to the insulating material as a result of overheating.
<b>immediately preceded by</b>	The event occurring in sequence immediately prior to the <b>loss</b> . <i>If there is a chain of events, this will be the last event occurring immediately prior to the loss.</i>
<b>insured property</b>	Tangible property of every description not expressly excluded, at the premises, all being <b>your</b> own, or held by <b>you</b> jointly, or in trust, or on commission and for which <b>you</b> are legally responsible within the following categories: <ol style="list-style-type: none"> <li><b>(a) buildings</b></li> <li><b>(b) contents</b></li> <li><b>(c) stock</b></li> <li><b>(d) other property</b> as particularly described in the schedule.</li> </ol> For determining, where necessary, the category under which any



	property is insured, <b>we</b> agree to accept the designation under which the property is entered in <b>your</b> records.
<b>landscaping</b>	Permanently sited live plants, ornamental trees, shrubs, hedges or grass including rock work, paving and ornamentation used to adorn or improve the grounds at the <b>situation</b> , except if any of these items are <b>stock</b> of <b>your</b> business.
<b>loss</b>	physical loss or damage unintended and unforeseen by <i>you</i> , occurring during the <b>period of insurance</b> and not the subject of a policy exclusion.
<b>machine</b>	Any device that: (a) converts and directs motion or energy, and/or (b) performs any electronic process, including any protective component connected with that device.
<b>machinery breakdown</b>	1. any mechanical, hydraulic, electrical or electronic: (a) breakdown or failure, or (b) cessation of function, or (c) malfunction, or (d) derangement, or 2. <b>fusion</b> of any nature.
<b>money</b>	any of the following, where they are associated solely with <b>your</b> business operations: (a) current coin, bank and currency notes, (b) cheques and travellers' cheques, (c) bank drafts and money orders, (d) phone cards, (e) unused postage and revenue stamps, (f) credit card vouchers, redeemable vouchers and tokens, (g) franking machine credits, (h) other tangible negotiable instruments. <i>For example promissory notes or bills of exchange.</i>
<b>natural disaster</b>	(a) earthquake, tsunami, volcanic activity, hydrothermal activity, geothermal activity, or subterranean fire; or

	(b) fire occasioned by, through or in consequence of any perils shown in (a).
<b>natural disaster damage</b>	(a) <b>loss</b> or damage directly or indirectly caused by or resulting from <b>natural disaster</b> ; (b) <b>loss</b> or damage occurring (whether accidentally or not) as the direct result of measures taken under proper authority to avoid the spreading of, or otherwise to reduce the consequences of, any such damage but (except for the purposes of the business interruption section) does not include any damage for which compensation is payable under any Act of Parliament or the regulations under any Act.
<b>office equipment</b>	Any of the following office equipment: desktop or laptop computers, fax machines, computer and video monitors, printers, document scanners, refrigerators and dishwashers.
<b>pre 1935 building risks</b>	Where: (a) the <b>building</b> is, or (b) the <b>contents</b> and/or <b>stock</b> are located in any building, or part of a building, originally constructed prior to 1935.
<b>period of insurance</b>	The period shown in the <i>schedule</i> commencing on the 'From' date and expiring at 4.00pm on the 'To' date.
<b>portable electronic equipment</b>	Cell phones, video data projectors, digital cameras, other audio visual equipment, portable computing devices and portable data storage devices.
<b>pressure vessel</b>	The parts of any <b>insured property</b> or vessel that during ordinary use are subjected to either generated fluid pressure or vacuum, including: (a) all integral parts, and (b) controls, and (c) systems (other than systems forming part of a building or structure).

<b>production process</b>	Any process of producing, making, treating or servicing goods.
<b>refrigerated stock</b>	Perishable goods and/or their containers/packaging that are kept in a refrigerated storage chamber at the <b>situation</b> .
<b>region</b>	The areas of land in each of the named Regions and Districts as defined in the Local Government New Zealand (LGNZ) Regional and Districts boundaries map.
<b>regulations</b>	Building regulations or other regulations that are: (a) made under, or (b) framed pursuant to, any Act of Parliament or any local authority regulation or by-law.
<b>residential unit</b>	Each self-contained part of the <b>building</b> designated for separate residential occupancy.
<b>schedule</b>	The latest version of the Schedule <b>we</b> issued to <b>you</b> for this policy.
<b>site</b>	Any parcel of land that <b>you</b> own or occupy.
<b>site improvements</b>	Site improvements are: (a) footpaths, driveways, car parks, <b>site</b> roads, and yards, of permanent construction, (b) permanently sited water storage tank, septic tank or heating oil tank, (c) retaining walls, (d) gates, fences.
<b>site sum insured</b>	The total sum insured for all <b>insured property</b> located at each <b>situation</b> which is insured under this Material Damage policy. In the event that the total sum insured for the property which applies in the event of <b>natural disaster damage</b> is different to that applying in the event of damage other than by <b>natural disaster</b> , <b>the site</b> sum insured shall be the total sum insured applying to damage other than by <b>natural disaster</b> .
<b>situation</b>	The location or locations referred to in the <b>schedule</b> .  This includes:

	<p>(a) All premises owned, leased or used by <b>you</b> as detailed in the policy <b>schedule</b> attaching to this policy.</p> <p>(b) Trade shows or exhibitions where any <b>insured property</b> is located to a limit of \$50,000 for any one trade show or exhibition.</p> <p>Where a public road separates premises, it is deemed to be a separate Location for the purpose of this definition.</p>
<b>software</b>	Programs, procedures and routines associated with the operation of electronic or electromagnetic data processing or electronically controlled equipment including any operating system.
<b>stock</b>	<p>Any of the following:</p> <ol style="list-style-type: none"> <li>1. Stock and materials in trade provided that are: <ol style="list-style-type: none"> <li>(a) owned by <b>you</b> (including joint ownership with others), or</li> <li>(b) in <b>your</b> temporary possession in the course of <b>your</b> business activities.</li> </ol> </li> <li>2. <b>Customers' goods.</b></li> </ol>
<b>storage container</b>	<p>Any fully enclosed :</p> <ol style="list-style-type: none"> <li>(a) shipping container or similar, or</li> <li>(b) portable shed or similar structure, or</li> <li>(c) non-portable container, such as a metal or wooden container that has been built into or secured to a vehicle.</li> </ol>
<b>sustainable products</b>	<p>Sustainable products are:</p> <ol style="list-style-type: none"> <li>(a) products that increase the efficiency of the <b>building</b> relating to the use of energy and/or water,</li> <li>(b) rebuilding materials that reduce environmental impacts.</li> </ol> <p>Sustainable products do not include the following:</p> <ol style="list-style-type: none"> <li>(a) fire protection devices or systems,</li> <li>(b) security devices or systems,</li> <li>(c) natural hazard protection.</li> </ol> <p><i>Examples of sustainable products include the following:</i></p> <ul style="list-style-type: none"> <li>➤ <i>double glazing,</i></li> <li>➤ <i>solar water heating systems,</i></li> <li>➤ <i>environmentally friendly timber,</i></li> <li>➤ <i>environmentally friendly paints and/or carpets,</i></li> </ul>

	<ul style="list-style-type: none"> <li>➤ <i>rainwater collection tanks and/or water efficient interior plumbing,</i></li> <li>➤ <i>natural lighting and/or ventilation,</i></li> <li>➤ <i>'Best Practice' insulation (as recommended by Standards New Zealand),</i></li> <li>➤ <i>Energy Star-rated electrical equipment and/or interior lighting systems,</i></li> <li>➤ <i>Energy Star-qualified roof materials,</i></li> <li>➤ <i>facilities to encourage the use of alternative transport (e.g. bicycle storage),</i></li> <li>➤ <i>wind turbines.</i></li> </ul>
<b>temporarily removed</b>	<p><b>Contents</b> that:</p> <p>(a) <b>you</b> have removed from their original location for a particular purpose, and</p> <p>(b) <b>you</b> intend to return it to their original location, once that purpose has been served.</p>
<b>undamaged</b>	Not directly or physically damaged by an <b>event</b> that would be covered by this policy.
<b>we, us, our, company</b>	Vero Insurance New Zealand Ltd. <b>We</b> may also use the words 'us', 'our' or 'company' to describe Vero.
<b>work of art</b>	An object of artistic or cultural value including but not limited to pictures, paintings, prints, sculptures or ornaments, hand woven carpets, rugs or mats.
<b>you, your, Insured</b>	The person(s) or entity named in the <b>schedule</b> as 'Insured' and any subsidiary company, more than half the nominal value of whose equity share capital is owned by the named Insured either directly or through other subsidiaries; and any entity over which an Insured exercises management control. <b>We</b> may also use the word 'Insured' to describe you.